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**PRINCIPAL FINANCIAL STATEMENTS  
AND NOTES**

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## PRINCIPAL FINANCIAL STATEMENTS

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### Principal Financial Statements Included in this Report

The principal financial statements included in this report have been prepared in accordance with the requirements of the Chief Financial Officers Act of 1990 (P.L. 101-576), the Government Management Reform Act of 1994 and the Office of Management and Budget's (OMB) Bulletin 97-01, "Form and Content of Agency Financial Statements," as amended. The responsibility for the integrity of the financial information included in these statements rests with management of the U.S. Department of Labor (DOL). The audit of DOL's principal financial statements was performed by the Office of Inspector General (OIG). The auditors' report issued by the Assistant Inspector General accompanies the principal statements.

The Department's principal financial statements for fiscal year (FY) 2000 consisted of the following:

- C      The **Consolidated Balance Sheet**, which presents as of September 30, 2000 those resources owned or managed by DOL which are available to provide future economic benefits (assets); amounts owed by DOL that will require payments from those resources or future resources (liabilities) and residual amounts retained by DOL, comprising the difference (net position).
- C      The **Consolidated Statement of Net Cost**, which presents the net cost of DOL operations for the year ended September 30, 2000. DOL's net cost of operations includes the gross costs incurred by DOL less any exchange revenue earned from DOL activities. Due to the complexity of DOL's operations, the classification of gross cost and exchange revenues by major program and suborganization is presented in Note 15 to the consolidated financial statements.
- C      The **Consolidated Statement of Changes in Net Position**, which presents the change in DOL's net position resulting from the net cost of DOL operations, financing sources other than exchange revenues consumed by DOL operations, and the change in DOL's unexpended appropriations during FY 2000.
- C      The **Consolidated Statement of Budgetary Resources**, which presents the budgetary resources available to DOL during FY 2000, the status of these resources at September 30, 2000 and the outlay of budgetary resources during FY 2000.
- C      The **Consolidated Statement of Financing**, which reconciles the net cost of operations with the obligation of budgetary resources for the year ended September 30, 2000.
- C      The **Consolidated Statement of Custodial Activity**, which presents for the year ended September 30, 2000, the sources and disposition of non-exchange revenues collected or accrued by DOL on behalf of other recipient entities.

### Limitations on the Principal Financial Statements

The principal financial statements report the financial position and results of operations of DOL, pursuant to the requirements of U.S.C. 3515(b). The statements have been prepared from the books and records of DOL in accordance with OMB prescribed formats. The statements are different from the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity, and that liabilities reported in the financial statements cannot be liquidated without legislation providing resources to do so.

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**CONSOLIDATED BALANCE SHEET**  
**As of September 30, 2000**

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(Thousands)

**ASSETS**

Intra-governmental	
Funds with U. S. Treasury (Notes 1-C and 2)	\$ 9,951,706
Investments (Notes 1-D and 3)	86,550,908
Accounts receivable (Notes 1-E and 4)	<u>4,962,104</u>
Total intra-governmental	101,464,718
 Accounts receivable, net of allowance (Notes 1-E and 4)	783,326
Advances (Notes 1-F and 5)	170,997
Property, plant and equipment, net of depreciation (Notes 1-G and 6)	<u>738,804</u>
 <b>Total assets</b>	 <u><u>\$ 103,157,845</u></u>

**LIABILITIES AND NET POSITION**

Intra-governmental liabilities	
Accounts payable	\$ 12,023
Advances from U.S. Treasury (Notes 1-J and 8)	6,748,557
Other liabilities (Note 11)	<u>285,120</u>
Total intra-governmental	7,045,700
 Accounts payable	354,225
Accrued leave (Note 1-K)	89,422
Accrued benefits (Notes 1-L and 9)	942,732
Future workers' compensation benefits (Notes 1-M and 10)	561,106
Other liabilities (Note 11)	<u>207,407</u>
 <b>Total liabilities</b>	 <u>9,200,592</u>
 <b>Net position</b> (Notes 1-Q and 13)	
Unexpended appropriations	10,095,063
Cumulative results of operations	<u>83,862,190</u>
 <b>Total net position</b>	 <u>93,957,253</u>
 <b>Total liabilities and net position</b>	 <u><u>\$ 103,157,845</u></u>

The accompanying notes are an integral part of these statements.

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**CONSOLIDATED STATEMENT OF NET COST**  
**For the Year Ended September 30, 2000**

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	<u>(Thousands)</u>
<b>NET COST OF OPERATIONS</b> (Notes 1-R and 15)	
<b>CROSSCUTTING PROGRAMS</b>	
<b>Income maintenance</b>	
Intra-governmental	\$ 782,781
With the public	<u>27,312,626</u>
Total cost	28,095,407
Less earned revenue	<u>(2,480,333)</u>
Net program cost	<u>25,615,074</u>
<b>Employment and training</b>	
Intra-governmental	43,370
With the public	<u>5,522,606</u>
Total cost	5,565,976
Less earned revenue	<u>(1,157)</u>
Net program cost	<u>5,564,819</u>
<b>Labor, employment and pension standards</b>	
Intra-governmental	103,254
With the public	<u>405,233</u>
Total cost	508,487
Less earned revenue	<u>(8,644)</u>
Net program cost	<u>499,843</u>
<b>Worker safety and health</b>	
Intra-governmental	123,355
With the public	<u>583,246</u>
Total cost	706,601
Less earned revenue	<u>(3,199)</u>
Net program cost	<u>703,402</u>
<b>OTHER PROGRAMS</b>	
<b>Statistics</b>	
Intra-governmental	138,348
With the public	<u>300,585</u>
Total cost	438,933
Less earned revenue	<u>(9,973)</u>
Net program cost	<u>428,960</u>
<b>Costs not assigned to programs</b>	66,406
Less earned revenue not attributed to programs	<u>(22,827)</u>
Net cost not assigned to programs	<u>43,579</u>
<b>Net cost of operations</b>	<u><u>\$ 32,855,677</u></u>

The accompanying notes are an integral part of these statements.

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**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
**For the Year Ended September 30, 2000**

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	<u>(Thousands)</u>
<b>CHANGE IN NET POSITION</b>	
<b>Net cost of operations</b>	<u>\$ 32,855,677</u>
<b>Net financing sources</b> (Note 1-S)	
Non-exchange revenue (Note 16)	
Employer taxes	27,108,898
Investment interest	5,367,241
Assessments	145,751
Reimbursement of unemployment benefits	<u>1,014,531</u>
Total non-exchange revenue	33,636,421
Appropriations used	7,627,900
Imputed financing	78,039
Transfers (Note 17)	<u>2,503</u>
<b>Total net financing sources</b>	<u>41,344,863</u>
Net results of operations	8,489,186
<b>Decrease in unexpended appropriations</b>	<u>(2,119,249)</u>
<b>Change in net position</b>	6,369,937
<b>Net position, beginning of period</b>	<u>87,587,316</u>
<b>Net position, end of period</b>	<u><u>\$ 93,957,253</u></u>

The accompanying notes are an integral part of these statements.

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**CONSOLIDATED STATEMENT OF BUDGETARY RESOURCES**  
**For the Year Ended September 30, 2000**

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	<u>(Thousands)</u>
<b>BUDGETARY RESOURCES</b> (Note 18)	
Budget authority	\$ 40,109,628
Unobligated balances, beginning	3,450,786
Transfers of prior year authority	7,277
Spending authority from offsetting collections	2,090,577
Adjustments	<u>(8,701,550)</u>
<b>Total budgetary resources</b>	<u><u>\$ 36,956,718</u></u>
 <b>STATUS OF BUDGETARY RESOURCES</b>	
Obligations incurred (Note 18)	\$ 34,401,603
Unobligated balances available	1,780,288
Unobligated balances not available	<u>774,827</u>
<b>Total status of budgetary resources</b>	<u><u>\$ 36,956,718</u></u>
 <b>OUTLAYS</b> (Note 18)	
Obligations incurred	\$ 34,401,603
Less spending authority from offsetting collections	(2,090,577)
Less recoveries of prior year obligations	(397,039)
Change in unfilled customer orders	(1,464)
Obligated balance, net, beginning	9,684,061
Less obligated balance, net, ending	<u>(8,942,392)</u>
<b>Total outlays</b>	<u><u>\$ 32,654,192</u></u>

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**CONSOLIDATED STATEMENT OF FINANCING**  
**For the Year Ended September 30, 2000**

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	<u>(Thousands)</u>
<b>OBLIGATIONS AND NON-BUDGETARY RESOURCES</b>	
Obligations incurred	\$ 34,401,603
Less spending authority from offsetting collections	(2,090,577)
Recoveries of prior year obligations	(397,039)
Financing imputed for cost subsidies	78,039
Transfers, net	2,503
Exchange revenue not in budget	(66,253)
Trust fund exchange revenue	<u>(420,144)</u>
<b>Total obligations as adjusted and non-budgetary resources</b>	<u>31,508,132</u>
<b>RESOURCES NOT FUNDING NET COST OF OPERATIONS</b>	
Change in amount of goods, services and benefits ordered but not yet received or provided	1,399,540
Capitalized costs	(94,741)
Other	<u>(2,036)</u>
<b>Total resources not funding net cost of operations</b>	<u>1,302,763</u>
<b>COST OF OPERATIONS NOT CONSUMING RESOURCES</b>	
Depreciation and amortization	41,108
Revaluation of assets and liabilities	243,161
Benefit overpayments	(226,189)
Other	<u>(13,298)</u>
<b>Total cost of operations not consuming resources</b>	<u>44,782</u>
<b>Net cost of operations</b>	<u><u>\$ 32,855,677</u></u>

The accompanying notes are an integral part of these statements.



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**CONSOLIDATED STATEMENT OF CUSTODIAL ACTIVITY**  
**For the Year Ended September 30, 2000**

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	<u>(Thousands)</u>
<b>SOURCES OF CUSTODIAL REVENUE</b> (Notes 1-T and 19)	
Cash collection of fines, penalties, assessments and related interest	\$ 114,170
Less refunds	<u>(3,331)</u>
Net cash collections	110,839
Increase in amounts to be collected	<u>23,832</u>
<b>Total sources of custodial revenue</b>	<u>134,671</u>
<b>DISPOSITION OF CUSTODIAL REVENUE</b> (Note 1-T)	
Net transfers to U.S. Treasury general fund	110,839
Increase in amounts to be transferred	<u>23,832</u>
<b>Total disposition of custodial revenue</b>	<u>134,671</u>
<b>Net custodial activity</b>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these statements.